

2-16-05

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Scott Jarvis, Deputy Commissioner
Office of the Insurance Commissioner
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FEB 22 2005

Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

In the Matter of Frederick E. Weatherbee / Order Revoking License No. D 05 - 16

Re: Licensee Demand of Hearing

Dear Sir;

I wish to request a "Demand for Hearing" as provided to me pursuant to RCW 48.04.010 and other statutes, in response to the afore mentioned Order. I believe this Order should not have been entered for legal and factual reasons and would like to explain circumstances surrounding the activities which are the subject of this Order. I will be represented by Larry Small of the Spokane based law firm: Paine Hamblin Coffin Brooke & Miller LLP. phone: (509) 455-6000.

I filed bankruptcy proceeding under Chapter 7 on October 12, 2004 as No. 04-07464-W1B. It is my understanding of the law that Revocation is barred by the Bankruptcy Stay Order. The Annerl claims are being presented to the Bankruptcy Court in an adversarial proceeding No. 05-80001. The allegations are wrong and I intend to vigorously contest the claims. I did not make some or all of the statements attributed to me in the Order. — The purchases in the Western Capital III General Partnership by the persons listed in the Order are not worthless. It is my understanding that the Insurance Commissioner does not have jurisdiction over securities allegations. Mr. DeVore did not enter into the Alpha Telecom Payphone business primarily for the returns, he participated primarily for the Tax-Credit he would receive in each of the separate years he purchased a phone and in fact, he purchased one phone one year followed by another phone the next year and his purchases are not worthless as there is a pending claim on the insurance. I was already investigated by both the Washington State Insurance Commissioners Office and the State of Washington Department of Financial Institutions on the sales of the Alpha Telecom pay telephone businesses and those investigations resulted in no finding of guilt.

The harm that would be inflicted upon me by this Order would be devastating. My Christian testimony for my Lord and Savior Jesus Christ would be broken. My character would be questionable. My name would be dishonored and this would not only affect me but my wife and children also. Not to mention how this would take away my livelihood, the ability for me to earn a living and provide for my family. Working as an Insurance Agent and serving the public is all I have known for over twenty three years and is all that

I am trained to do. I would lose my Insurance Agency and hundreds of policyholders that I am serving would have to work with a new agent, not of their choosing. I have a daughter I am trying to get through college, if this Order stands, her opportunity to stay in college and pursue her goal of becoming a Judge would work a tremendous hardship on her and may be impossible. Other Insurance Agents that are appointed under my General Agent contracts with multiple insurance companies would lose the opportunity for my experience and leadership. The ramifications of this Order even to obtain other employment would not allow me to apply for or hold any professional designation or license, whether to operate a business or as an employee. I would not be bondable or insurable. In short, if this Order stands my life would be unbearable. In the last few years I have already suffered a stroke and undergone heart surgery and on both occasions it took months before I was able to work again. That resulted in spending all my resources: retirement and otherwise, to live and pay for the hospital and doctor bills, paying for my daughters education, and also the attorney fees and "Reimbursement for Investigative Costs" the Department of Financial Institutions made me pay even when I was not found guilty of violating any laws.

Please provide me with clarification and more information on the two (2) Options for how the "Demand For Hearing" will be handled.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frederick E. Weatherbee", with a stylized, cursive script.

Frederick E. Weatherbee